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ILLINOIS COMMERCE COMMISSION

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2003 MAY 16 A 10:46

CHIEF CLERK'S OFFICE

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Worldwide Headquarters
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P.O. Box 77007
Madison, WI 53707-1007

Office: 608.458.3311
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May 13, 2003

Ms. Elizabeth A. Rolando, Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield Illinois 62701

02-0666
Report
per Order

RE: Docket 02-0666
Application for Approval of Affiliated Interest Contract

Dear Ms. Rolando:

Enclosed please find a copy of Interstate Power and Light Company's proposed agreement with RMT, Inc., which satisfies the following Order Point:

IT IS FURTHER ORDERED that within 60 days of the effective date of this Order, Interstate Power and Light Company shall submit an executed copy of the proposed Agreement to the Chief Clerk of the Commission and to the Manager of the Accounting Department of the Commission.

Please contact Darcy Hackel at (608) 458-5040 or via email, DarcyHackel@alliantenergy.com or me at (608) 458-3974, email KariNelson@alliantenergy.com, with any questions or concerns.

Sincerely,



Kari E. Nelson
Regulatory Planning Associate

Cc: Manager of Accounting Department

RMT, Inc.

(Contractor)

**INTERSTATE POWER COMPANY,
(an Alliant Energy company)
GENERAL AGREEMENT**

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ATTACHED SCHEDULES

SCOPE OF WORK/PRICE SCHEDULE	SCHEDULE A
SPECIAL TERMS AND CONDITIONS.....	SCHEDULE B
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CANCELLATION AND CONTINGENT DELAYS.....	SCHEDULE B(2)
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CONTRACTOR'S PROPOSAL	SCHEDULE F

GENERAL AGREEMENT

This Agreement is made this 3 day of April, 2000, at Dubuque, Iowa, by and between RMT, Inc., a corporation of the State of Wisconsin with offices at Madison, Wisconsin ("Contractor"), and **INTERSTATE POWER COMPANY** (an Alliant Energy company), a Delaware corporation ("Company"):

IN CONSIDERATION OF the following terms and conditions, Contractor agrees to perform Work for Company pursuant to this Agreement.

1. DEFINITIONS

Certain terms in this Agreement shall be defined as follows:

- a. "Subcontractor" means any person, firm or corporation to whom the Contractor, with the written permission of the Company, contracts, assigns or sublets any part of the construction, maintenance, engineering and/or general service work to be done for Company.
- b. "Agreement" means the terms and conditions set out herein including all schedules and addendums attached and incorporated as part of the total agreement between the parties, and items specifically incorporated therein including Company's Purchase Orders referencing this General Agreement.
- c. "Work" means all of the supervision, labor, materials, equipment, engineering, consultation, services, and transportation, or other facilities as may be necessary to fully perform the Agreement.
- d. "Site" means the location where the Work is being performed.
- e. "Company" means the entity identified as such in the introductory paragraph, its successors and assigns.
- f. "Contractor" means the individual entity identified as such in the introductory paragraph, as well as its successors and assigns. Contractor shall ensure that insurance certificates are kept on file and coverage is current.
- g. "Purchase Order" means the document developed by Company and Contractor in accordance with this Agreement. The terms and conditions on the reverse side of the Purchase Order shall be superseded by the terms and conditions of this Agreement. Company may add additional

terms, including relevant sales tax information on the front of the Purchase Order which shall be deemed binding upon Contractor, its subcontractors, successors and assigns.

2. TERM OF AGREEMENT

Unless otherwise terminated, this Agreement shall be in effect for a period of one year and shall automatically renew for additional one-year periods. Company and Contractor may agree to a different term of agreement if provided for in Schedule B.

3. SCOPE OF WORK AND FEE SCHEDULE

- a. Contractor shall furnish all labor, supervision, training, materials, equipment, and tools required to carry out such Work as agreed upon and authorized by Company's Purchase Order issued pursuant to this Agreement and in accordance with pricing, wage, salary, and equipment fee schedules, as set out in Schedule A attached, unless otherwise specified in Company's Purchase Order.
- b. No Work shall be performed pursuant to the terms and conditions of this Agreement until Contractor has received Company's Purchase Order authorizing the Work to be performed, the starting and completion dates, and total compensation for such Work. Contractor shall not do extra work other than that specified by this Agreement, unless authorized in writing by Company.

4. COMMENCEMENT AND COMPLETION OF WORK

Contractor shall commence and complete the Work as stated on the Purchase Order issued pursuant to this Agreement, or as set out in Schedule C attached hereto. In the event Contractor does not comply with the completion deadline, then the Company shall have the options of allowing Contractor to complete the Work, of declaring the Agreement breached and retaining any funds then due Contractor as liquidated damages, or of declaring the Agreement breached and using any legal remedy to recover its damages. Company may cancel any portion of the Work to be performed under this Agreement by paying to Contractor the appropriate and necessary expenses incurred by Contractor and agreed to by Company. These remedies are non-exclusive and are in addition to the costs provided for in Paragraph 8, unless otherwise specified in Schedule C.

5. METHOD OF PAYMENT

Company shall pay Contractor the sum specified in Schedule A or the Purchase Order upon the following terms:

- a. Contractor shall submit monthly invoices itemizing materials, labor and supplies used on the project to verify the costs of the Work actually completed, including materials delivered and stored on premises. Each invoice shall reference Company's contact person named in Paragraph 25. Invoices shall separately state and itemize all applicable Iowa sales and/or use taxes and reference the Purchase Order. Any additional costs and expenses shall require the prior approval of the Company.
- b. Unless otherwise provided in Schedule B, Company shall pay one hundred percent (100%) of the amount invoiced by the thirtieth (30th) day following receipt of Contractor's invoice, subject to acceptance and approval of Company's designated representative in charge of the project.
- c. Final payments, including any funds retained, shall be due thirty (30) days after Contractor completes the Work; submits the final invoice; and the Work is finally accepted by Company in accordance with Paragraph 9, except as provided in Paragraph 16.
- d. All invoices shall be submitted for payment with supporting documentation in duplicate to Company at the address specified in the applicable Purchase Order.

6. SALES TAX

Sales tax shall be charged in accordance with the specifications listed on the front of Company's Purchase Order. Where applicable, Contractor shall itemize the amount of the sales tax separately for materials and taxable services included in any invoice submitted to Company.

7. INDEPENDENT CONTRACTOR AND SUBCONTRACTING

- a. Independent Contractor. Contractor agrees that it is an independent contractor and shall be at all times solely responsible for itself, as well as its employees, agents, and Subcontractors as to workmanship, accidents, injuries, wages, supervision and control. Company will exercise only limited supervision of the Work in order to keep itself informed as to the progress thereof. This Agreement may not be altered in any manner so as to change the relationship of Contractor from that of independent contractor or to alter Contractor's responsibilities.
- b. Supervision. Contractor shall employ only competent workers and supervisors. If requested by Company, a competent superintendent or Contractor's designated representative shall be at the Site at all times during working hours to supervise the Work. Such Work shall be conducted in cooperation with Company supervisors, engineers or other

Company employees and contractors in such a manner that the service of Company will not be interrupted unnecessarily.

- c. Subcontracting. Contractor shall obtain Company's written permission before subcontracting any portion of the Work and such permission shall not be unreasonably withheld. If permission is given to subcontract Work, Contractor shall remain solely responsible for *satisfactory completion of the Work* and shall incorporate the terms and conditions of this Agreement into the subcontracting agreement.
- d. Suspension of Workers or Subcontractors. Company may, at its option, require Contractor to remove any of its employees or Subcontractors from the Site by advising Contractor orally or in writing and Contractor shall remove the designated employee(s) or Subcontractor(s) as soon as practical after receipt of such notice. Company is not required to state a reason for requesting such removal.
- e. Permits. Contractor agrees to procure all permits, easements, and licenses necessary or required by any statute, ordinance, rule or regulation for carrying out the Work provided for in this Agreement.
- f. Contractor will notify Company immediately if:
 - (i) Contractor is served notice of violation of any laws, regulations or permits which relate in any material aspect to Work performed hereunder;
 - (ii) proceedings are commenced which could lead to revocation of permits or licenses which relate to such Work;
 - (iii) permits or licenses relating to such Work are revoked; or
 - (iv) Contractor becomes aware that any equipment or facility related to such Work is not in compliance with applicable laws and regulations.

8. DELIVERY

- a. Time is of the essence in this Agreement. If the delivery of goods or rendering of Work is not completed by the time, if any, specified in Schedule C or Company's Purchase Order, Company reserves the right, without liability and in addition to its other rights and remedies, to terminate this Agreement by notice effective when received by Contractor as to goods not yet shipped or Work not yet performed, and to purchase

substitute Work elsewhere and charge Contractor with any loss incurred. All costs resulting from delays in delivery shall be at Contractor's expense.

- b. Delivery of materials, equipment and associated goods shall be F.O.B. destination, and pursuant to the delivery schedule, if any, set out in Schedule C or Company's Purchase Order. Title to and risk of loss of such materials, equipment and associated goods shall remain with Contractor until final acceptance pursuant to Paragraph 9.
- c. Payment for the materials, equipment and associated goods delivered under this Agreement shall not constitute acceptance. Company shall have the right to inspect, test, and reject such materials, equipment and associated goods during the warranty period.

9. ACCEPTANCE AND COMPLETION OF WORK

- a. Upon receipt of written notice from Contractor that the Work is ready for final inspection or review, Company shall have its designated representative make such inspection. If the designated representative finds that the Work is completed, that the lien waivers and evidence under Paragraph 9b have been submitted, and that all obligations of Contractor have been paid as provided, Company's Certification of Completion and Settlement shall be issued and signed stating that the Work under this Agreement has been completed and that the entire balance as set forth in such Certification of Completion and Settlement is due Contractor.
- b. Before issuance of the Certification of Completion and Settlement, Contractor shall submit evidence satisfactory to Company that all payrolls, materials, bills, sales taxes and other indebtedness connected with the Work have been paid, and no payment for the balance due shall be made by Company until such evidence shall have been submitted and waivers of liens have been furnished Company. Issuance of a Certification of Completion and Settlement shall not constitute a waiver of any rights or remedies of Company as provided in this Agreement or at law.
- c. Company may, at its discretion, accept in writing portions of the Work without the release or waiver of any of its rights under the terms and conditions of this Agreement or at law. Contractor's obligation to submit supporting documentation shall remain the same as if no partial acceptance of Work had been made by Company.

10. LIENS

Contractor, for all persons employed by Contractor, for its Subcontractors, and for all other persons performing any labor or furnishing any labor or materials for any of the

Work covered by the Agreement, hereby waives, to the full extent permitted by law, all liens for or on account of the Work performed or furnished and agrees that all Work, furnished by Contractor or its Subcontractors, the improvements or structures incorporating the same, and the land to which it is appurtenant shall at all times be free and clear of all such liens. Contractor further agrees to execute Company's Certification of Completion and Settlement to verify the waiver of liens prior to final payment.

11. PROPRIETARY INFORMATION

Contractor recognizes and acknowledges that certain information considered to be proprietary or confidential by Company, including but not limited to contractual information, trade secrets, computer codes, formulas, methods, inventions and devices that are or may be in the future developed, used by or in the possession of Company, constitutes a valuable, special and unique asset of Company or its other vendors. Contractor shall not, without written permission of Company, disclose such proprietary or confidential information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever. In the event of a breach or threatened breach by Contractor of the provisions of this Paragraph, Company shall be entitled to an injunction restraining Contractor from so doing. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to Company for such breach or threatened breach.

12. BOND REQUIREMENT

Company may require Contractor to furnish to Company a Performance and Payment Bond, underwritten by a surety company acceptable to Company, to guarantee the completion of the Work and the payment of all obligations, without proof according to law, for an amount equal to one hundred percent (100%) of the consideration of the Agreement. Contractor shall obtain and furnish the Performance and Payment Bond with Bond costs being included in Contract expense. Bond shall be provided to Company prior to execution.

13. PROTECTION OF EMPLOYEES AND PUBLIC

Contractor represents and warrants that:

- a. Contractor is familiar with the Work Site and its environment, and shall inspect at all times Contractor's Work to discover and promptly take all precautions and remedies necessary to protect and warn all employees and third parties against existing conditions or conditions created during the progress of the Work which may involve risk of bodily harm or property damage of all persons, including employees or property of both parties and third parties.

- b. Contractor is in full compliance with all requirements of federal, state and local safety standards, codes and regulations applicable to the Work ("Laws"), including those Laws applicable to the protection of Company's and Contractor's employees and members of the public. Said Laws include, but are not limited to the Occupational Safety and Health Act of 1970 as amended, and those prohibiting discrimination against any employee or applicant for employment because of race, creed, color, sex, national origin, age or disability.

Specifically, Contractor agrees to comply with all provisions of Executive Order 11246, as amended by Executive Order 11375 and all rules, regulations, and relevant orders of the Secretary of Labor related to equal employment opportunity as in effect on the date of this Agreement, including without limitation, the equal opportunity clause set forth at 41 C.F.R. 60-1.4(a).

Contractor further agrees to comply with all provisions of the Vietnam Era Veterans Readjustment Assistance Act of 1974 (38 USC 2012) and all rules, regulations, and relevant orders related to employment of Vietnam veterans as in effect on the date of this Agreement, including without limitation, the affirmative action clause set forth at 41 C.F.R. 60-250.4.

Contractor further agrees to comply with all provisions of the Rehabilitation Act of 1973, as amended, and all rules, regulations, and relevant orders related to employment of a Person with a Disability as in effect on the date of this Agreement, including without limitation, the equal opportunity clause set forth at 41 C.F.R. 60-741.5(a).

- c. Contractor will comply fully with all federal and state unemployment insurance laws and federal Social Security laws that apply to the Work and to make such reports and payments as are required.
- d. Contractor will comply fully with all applicable Workers' Compensation laws.
- e. Contractor will comply fully with all requirements of state or federal environmental laws including environmental protection agencies.

14. INDEMNIFICATION

- a. Contractor agrees to assume all risk of loss and to defend, indemnify and hold Company, its officers, employees and agents harmless against any and all claims, liabilities, damages, losses, costs or expenses of whatever nature or character for all injuries or damage of any type to any person or property, including injuries or damage of third parties or employees of

both parties and employees of Subcontractors, occasioned wholly or in part by any act or omission of Contractor or its Subcontractors or of anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, resulting from or arising out of the Work, or any of the activities of Contractor, its employees, or any Subcontractor or its employees, pursuant to this Agreement, whether or not such injuries or damage are occasioned in part by Company, its officers, employees or agents.

- b. Contractor further agrees to assume all risk of loss and to defend, indemnify and hold Company, its officers, employees, and agents harmless against any and all claims, liabilities, damages, losses, costs or expenses of whatever nature or character for all injuries or damage of any type to any person or property, including injuries or damage of third parties or employees of both parties and employees of Subcontractors, occasioned wholly or in part by any act or omission of the Contractor, its Subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable which cause or create pollution, contamination or adverse effects on the environment, due to, but not limited to, the disposal, discharge, escape, dispersal, release or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or hazardous substances as defined under applicable state law, into the atmosphere, or on, onto, in or into the surface or subsurface soil, groundwaters, or surface waters whether or not such injuries or damage are caused in part by Company, its officers, employees or agents.

15. HAZARD COMMUNICATIONS

Contractor and Company shall comply with all applicable hazard communication requirements of the Occupational Safety and Health Administration (OSHA), as codified at 29 C.F.R. 1910.1200. Contractor shall provide Materials Safety Data Sheets for any hazardous chemicals brought into Company work places by Contractor. In addition, Contractor shall provide the necessary information in training to its employees on each hazardous chemical to which they may be exposed in Company work places. Suggestions for appropriate protective measures in handling those hazardous chemicals shall also be exchanged between Contractor and Company, at Contractor's request.

16. LOSS OR DAMAGE

Until accepted in its entirety by Company, the Work shall be at Contractor's risk, and if any loss of or damage occurs prior to acceptance, Contractor shall, without cost to Company, promptly repair or replace the parts so lost or damaged. All loss or damage to Contractor's property shall be borne by Contractor. In addition, when maintenance

service is performed, Contractor's liability for any loss or damage may include units or parts of equipment upon which maintenance was not performed.

17. INSURANCE

Contractor shall provide and maintain Public Liability and Property Damage Insurance so as to provide protection and indemnification against any and all such claims or suits in connection with the Work which is the subject of this Agreement. Contractor shall furnish to Company certificates issued by insurance companies acceptable to Company showing policies carried and the limits of coverage as follows unless otherwise provided in Schedule B:

- a. Workers' Compensation Insurance for Contractor's employees to the extent of statutory limits and Occupational Disease and Employer's Liability Insurance for not less than \$500,000.
- b. Commercial General Liability Insurance, including but not limited to Products and Completed Operations and Contractual Liability, as applicable to Contractor's obligations under this Agreement with limits not less than:

Personal Injury - \$2,000,000 per occurrence and

Property Damage - \$2,000,000 per occurrence.

- c. Automobile Liability Insurance with limits not less than: Bodily Injury - \$1,000,000 each accident, and Property Damage - \$1,000,000 each accident.

Certificates of insurance shall be on file with Company prior to execution, shall remain in effect for the duration of this Agreement, and shall name Company as an additional insured. All certificates of insurance shall state that prior to cancellation, non-renewal or any material change, thirty (30) days' written notice shall be given to Company. Failure of Company to enforce the minimum insurance requirements listed above shall not relieve Contractor of responsibility for maintaining these coverages.

18. WARRANTY

- a. Contractor warrants to Company that the Work provided shall be performed by qualified and competent personnel in accordance with industry practice and the high standards of care and practice appropriate to the nature of the Work rendered and that any materials, equipment and goods furnished shall be free from defects. Contractor further warrants that, upon completion, the Work covered by this Agreement shall conform in all respects to all specifications and be fit for the particular purpose

intended by Company. Materials and equipment furnished by Contractor as part of the Work, but designed or manufactured by others, shall be covered by this warranty, and Contractor shall be responsible for enforcement of any applicable manufacturers' warranties.

- b. The foregoing warranties are given and accepted in addition to any warranties of merchantability and fitness for a particular purpose provided by the Uniform Commercial Code as adopted by the State of Iowa.
- c. Contractor further warrants and represents that any hardware, software, firmware or other product or service delivered under this Agreement shall be able to and shall accurately process date related data (including, but not limited to, calculating, comparing, and sequencing) from, into, between, and continuing through 1999, 2000, and beyond, including leap year calculations, and shall continue functioning normally through this period (hereinafter "Year 2000 date related processing functions"). If a purchase order requires that specific listed products must perform as a system, then this warranty shall apply to the entire system, including, all listed products. In the event of any recognition, calculation, or indication problems related to Year 2000 date related processing functions, Contractor warrants that Contractor will make all repairs or replacements necessary to ensure that the code and databases modified or developed by the Contractor are Year 2000 date related processing functions compliant, within seven (7) days after discovery of said product's non-compliance and at no cost to the Company. All costs, liabilities, claims and expenses associated with Year 2000 compliance shall be borne by the Contractor. This warranty shall be in effect until March 1, 2001 or two years after delivery, whichever is later. Nothing in this warranty shall be construed to limit any rights or remedies Company may otherwise have under this purchase order with respect to other defects or failures.

19. REMEDIES

- a. Upon discovering any breach of this Agreement by Contractor, Company may pursue any and all remedies available under law, including but not limited to requiring Contractor, at its expense, to replace defective materials, equipment and goods, to correct the defects or otherwise re-perform the Work, and to replace or repair (at Company's option) any materials, equipment, goods, or other Company property damaged as a result of faulty Work or to terminate said Agreement. Title to and risk of loss for any furnished materials, equipment and goods being replaced or repaired shall remain with Contractor until completion and final acceptance by Company of any corrective Work. In the event of any emergency when, in the judgment of Company, delay could cause serious loss or damage, repairs or adjustments may be made by Company or a

third party chosen by Company with reasonable notice to Contractor, and the cost of the Work including materials and labor shall be paid by Contractor.

- b. Subject to statutes of limitations, Company may pursue the remedies provided above including termination of the Agreement, at any time following the date a breach of this Agreement is discovered or, by exercise of reasonable diligence, could have been discovered.
- c. No agreement varying or extending any warranties or remedies herein will be binding unless in writing and agreed to by Contractor and Company.
- d. Company shall have the right to delay or cancel for its convenience further performance of all or any separable part of this Agreement at any time by written notice to Contractor.

20. AUDIT REVIEW

Company or its designated representative shall have access to Contractor's records maintained pursuant to this Agreement at the Company's premises or at Contractor's regular place of business during normal business hours to review, audit, and verify any information connected with this Agreement required by Company to determine the costs associated with non-fixed price Work or cancellation of Work in progress, or to evaluate and monitor quality assurance programs. Company shall not have a right to audit in connection with cost associated with (1) the firm portion of any fixed-price Work, except for cancellation of Work in progress, or (2) Contractor's published commercial rate schedule or any agreed-upon rates for time-and-materials Work.

Copies of any material shall be made for Company at its request and reasonable costs of reproduction shall be borne by Company. Access to Contractor's records for the above audit purposes or for technical review purposes relative to Contractor's performance of the Work under this Agreement shall be granted to Company for three (3) years after acceptance of the Work, or cancellation of the Agreement.

21. FORCE MAJEURE

It is understood that at times unavoidable delays result from causes which may reasonably be presumed to be beyond the control of Contractor or Company, such as: Acts of providence, floods, fortuitous events, unavoidable (from the standpoint of Company) accidents, riots, strikes, and lock outs. Should the progress of the Work (including delivery of equipment, goods and materials) be or seem to be delayed at any time for such causes, Contractor shall at once notify Company in writing of the occurrence, in order that a record of the same may be made. Should it be decided by Company that the delay was unavoidable, a corresponding extension of time for the completion of the Work may be allowed by Company not to exceed the actual number

of days such unavoidable delays accrued, but it is distinctly understood that should Contractor fail or neglect to notify Company as above provided, such omission shall be construed as a waiver of all claims and rights to extension of time for the completion of the Work on account of such delays. Both parties shall in good faith use such effort as is reasonable under all the circumstances known to that party at the time to remove or remedy the cause(s) and mitigate the damages.

22. SAVING CLAUSE/INDEPENDENT TERMS

Each term and condition of this Agreement is deemed to have independent effect and the invalidity of any partial or whole paragraph or article shall not invalidate the remaining paragraphs or articles. The obligation to perform all of the terms and conditions shall remain in effect regardless of the performance of any invalid term by the other party.

23. NONWAIVER

The failure of Company to insist on or enforce, in any instance, strict performance by Contractor of any of the terms of this Agreement, or to exercise any rights herein conferred shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such terms or rights on any future occasion.

24. DISPUTES AND GOVERNING LAW

Any disputes not settled by the management of the parties shall be settled by arbitration in accordance with Chapter 679A of the Iowa Code (Arbitration). This Agreement shall be governed by the laws of the State of Iowa and venue shall be in Dubuque County, Iowa. Contractor's obligation to perform under this Agreement shall remain in effect during the resolution of disputes.

25. COMMUNICATION BETWEEN THE PARTIES

All communications related to this Agreement shall be to the persons listed below or to such other persons as the parties may specify in writing:

CONTRACTOR:

Steve Johannsen (Name, title,

President, RMT, Inc. and address)

744 Heartland Trail

Madison, WI 53717-1934

COMPANY: Joseph Shefchek (Name, title,
Managing Director, and address)
Environmental, Health and Safety
P.O. Box 192
Madison, WI 53701

26. CONTRACT DOCUMENTS

This Agreement represents the complete understanding of the parties and shall govern over all other documents and oral representations making all other representations of the parties null and void. The terms and conditions of this Agreement shall govern the following documents, unless specifically amended as provided in Schedule B, and shall control over any conflicting term or condition found in Schedule F, or Company's Purchase Order(s). The following documents are part of this Agreement:

• **Company's Purchase Order Referencing This Agreement**

- Schedule A - Scope of Work/Price Schedule
- Schedule B - Special Terms and Conditions
 - Schedule B(1) - Special Terms and Conditions for Hazardous Waste Materials
 - Schedule B(2) - Cancellation and Contingent Delays
- Schedule C - Work Schedule
- Schedule E - Specifications, Drawings, Etc.
- Schedule F - Contractor's Proposal

This Agreement is executed the day and year first above written at Dubuque, Iowa.

RMT, Inc.
CONTRACTOR
By: Stephen D. Johannsen
Title: President
Stephen D. Johannsen
(Print Name)

INTERSTATE POWER COMPANY
(an Alliant Energy company)
COMPANY

By: Dundeana K. Langer

Title: VICE PRESIDENT CUSTOMER OPERATIONS
DUNDEANA K. LANGER

(Print Name)

SCHEDULE A SCOPE OF WORK/PRICE SCHEDULE

SCOPE OF WORK

The purpose of this Agreement is to set forth the terms and conditions for the performance of certain types of Work on a project by project basis, and as generally described below. The description of Work may be more particularly described in the Company's Purchase Order(s) or other Work Authorization document, the issuance of which authorizes the commencement of specific services pursuant to such terms and conditions, and which references this Agreement by number.

Contractor shall perform the following Work for Company pursuant to the terms and conditions, and attached schedules:

- Engineering Services – design, feasibility study, evaluation, testing, operating, maintaining and monitoring engineered systems including air pollution control, industrial ventilation, combustion and incineration, solid waste management, and wastewater treatment.
- Remediation Services – site investigations, risk assessments, remediation design and construction, site restoration and development, sediment management, OM&M, UTM.
- Construction Management – managing contractors at risk, contract administration, construction quality assurance, phase planning & scheduling, cost budgeting & control, cost estimating, competitive bidding & negotiating
- Environmental Liability Reduction – regulatory liability management, due diligence, risk management, risk communications/community relations
- Environmental, Health, & Safety Management Services – compliance reviews, compliance assistance, health & safety management, information management, outsourcing, PSM & RMP
- Environmental Permitting – air, water, waste, siting services, permitting strategy, regulatory negotiations/advocacy
- Laboratory Services – Geo-technical, applied chemistry, bio-toxicology

RMT will provide for each project such items as: a scope of work with cost estimates, and resumes for the specific project team.

PRICE SCHEDULE

Contractor shall perform its obligations under this Agreement in accordance with the following Price Schedule. The Price Schedule may be amended by agreement of the parties to take into account extra or deleted Work authorized in writing by Company:

**ATTACHMENT 1
PRICING DISCOUNT SCHEDULE
FOR GENERAL AGREEMENT
BETWEEN IPC AND RMT**

RMT agrees to extend to INTERSTATE POWER COMPANY a discount for services provided by RMT to IPC under the General Agreement contract dated _____ and compensated in accordance with the attached Schedule of Charges. The following discount for RMT Personnel Charges will be applied to Personnel Charges incurred on a fiscal year basis (January 1 through December 31):

- 10% of RMT's current Standard Schedule of Charges – Flat Rates with a cap on billing categories to exclude the Senior Consulting billing rate.

RMT standard charges for miscellaneous outside services, professional services, technical services and laboratory services are cost plus 15%. In addition to the above-referenced discount for RMT Personnel Charges, IPC will receive a reduced markup on pass-through charges. This additional discount is reflected in the cost plus 7.5% on billings for outside services shown on the Schedule of Charges and will be reflected on the invoices for specific projects. The resultant charges are included in the attached rate table.

In addition, groundwater monitoring projects will be billed at the special, lower rates negotiated for this commodity service. See attachment.

Alliant Energy Corporation
Schedule of Charges - Flat Rate
January 1, 2000 - December 31, 2000

Hourly Personnel Charges *

Consultant, Project, and Technical Management	119
Senior Project Technical.....	111
Project Technical II.....	92
Project Technical I.....	84
Staff Technical II.....	69
Staff Technical I.....	60
Senior Technician, Designer.....	69
Technician II.....	56
Technician I.....	51
Field/O&M Technician.....	41
Senior Project Administration	51
Administration.....	41

* Personnel include direct and contract employees

Dispute Resolution Support: Services in support of disputes (arbitration, litigation, etc.) involving client's information or interests, such as responding to discovery requests and subpoenas, are chargeable at the above rates.

Testimony rates (court, deposition, or hearing time) are 1.75 times the above rates, with a minimum of 4 hours per day.

Other Charges

Equipment Use	Std. Rate Sheet
Prints: Blueline, per square foot	0.15
Reproduction, per sheet	0.15
Communication/Shipping Charge:	2.9% of personnel
high-speed internet access, and courier services.....	charges
Vehicles: Car, per mile	0.40
Field vehicle.....	50.00/day
	plus 0.35/mile

Outside services, equipment, and facilities not furnished directly by RMT, Inc., will be billed at cost plus 7.5%, and may include, but are not limited to, the following:

Aerial photography and mapping	Bonds required by project or client
Meals and lodging	Sample shipment
Laboratory testing	Special fees, permits, insurance, etc.
Printing and photographic reproduction	Subcontractors to RMT, Inc.
Rental of equipment and vehicles	Supplies
Sample disposal	Transportation on public carriers

Payment: Net thirty (30) days. Thereafter, one percent (1%) interest per month on the unpaid balance will be charged.

Contract No. _____
Legal Approval _____

SCHEDULE B SPECIAL TERMS AND CONDITIONS

Notwithstanding any terms and conditions to the contrary, the following terms and conditions shall apply to this Agreement:

1. Paragraph 3, **SCOPE OF WORK AND FEE SCHEDULE** is modified by adding the following language as **Subparagraph c**:

"These are the terms and conditions that will cover Work to be performed by Contractor for Company on a project by project basis, and as more particularly described in Company's Purchase Order referencing this Agreement by number."
2. Paragraph 6, **SALES TAX** is modified by inserting the following language to the beginning of the Paragraph:

"Contractor's Work is priced net of any sales taxes. When the Purchase Order expressly requires otherwise,....."
3. Paragraph 7, **INDEPENDENT CONTRACTOR AND SUBCONTRACTING**, **Subparagraph e**, is modified by adding the following language:

"Company agrees to cooperate with Contractor's procurement of permits, easements and licenses required for carrying out the Work, including, but not limited to, signature on permits, easements and licenses required to be in the Company's name."
4. Paragraph 8, **Delivery**, **Subparagraph b**, the last sentence is replaced with the following language:

"Title shall transfer to Company upon delivery, and risk of loss of such materials, equipment and associated goods shall remain with Contractor until the earlier of acceptance by Company of care, custody, and control (such acceptance to be conditioned upon written agreement by Company), or until final acceptance pursuant to Paragraph 9."
5. Paragraph 14, **INDEMNIFICATION**, **Subparagraphs a and b**, are replaced with the following language:

- "a. Contractor agrees to assume all risk of loss and to defend, indemnify and hold Company, its officers, employees and agents harmless against any and all claims, liabilities, damages, losses, costs or expenses of whatever nature or character for all injuries or damage of any type to any person or property, including injuries or damage of third parties or employees of both parties and employees of Subcontractors, to the extent occasioned by any negligent act or omission of Contractor or its Subcontractors or of anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, resulting from or arising out of the Work, or any of the activities of Contractor, its employees, or any Subcontractor or its employees, pursuant to this Agreement.
- b. Contractor further agrees to assume all risk of loss and to defend, indemnify and hold Company, its officers, employees, and agents harmless against any and all claims, liabilities, damages, losses, costs or expenses of whatever nature or character for all injuries or damage of any type to any person or property, including injuries or damage of third parties or employees of both parties and employees of Subcontractors, to the extent occasioned by any negligent act or omission of the Contractor, its Subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable which cause or create pollution, contamination or adverse effects on the environment, due to, but not limited to, the disposal, discharge, escape, dispersal, release or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or hazardous substances as defined under applicable state law, into the atmosphere, or on, onto, in or into the surface or subsurface soil, groundwater, or surface waters."

6. Paragraph 16, **Loss or Damage** is modified by adding the following language:

"Notwithstanding anything to the contrary in this Agreement, Company acknowledges that it shall:

- (a) be responsible for the elimination or abatement of safety hazards created or otherwise resulting from Work at the Site by other persons or firms directly employed by Company as separate contractors.
- (b) meet its obligations hereunder in a timely manner by promptly providing information, reviews, approvals/disapprovals, notices materials, services, payments and other things when due, scheduled or needed to allow orderly progression of the Work without undue cost, interference or delay;
- (c) provide information to Contractor and its Subcontractors relative to Site access, including gates, employee and equipment parking, material laydown areas, material and equipment receiving and disbursement areas, Site operating rules and restricted areas;

(d) Communicate to Contractor standard operating concerns, including alarm signals, speed limits, evacuation procedures, hazardous Work permit procedure, and material safety data sheets; and

(e) Retain all security responsibilities for the Site.

7. Paragraph 17, **INSURANCE** is modified by adding the following language to the last paragraph, at the end of the first sentence,

"...under the Commercial General Liability and Automobile Liability insurance policies."

8. Paragraph 18, **WARRANTY** is modified by replacing **Subparagraphs a and b**, with the following language:

"a. Contractor warrants to Company that the Work provided shall be performed by qualified and competent personnel in accordance with industry practice and the high standards of care and practice appropriate to the nature of the Work rendered and that any materials, equipment and goods furnished shall be free from defects. Contractor further warrants that, upon completion, the Work covered by this Agreement shall conform in all respects to all specifications and be fit for the particular purpose disclosed by Company. Materials and equipment furnished by Contractor as part of the Work, but designed or manufactured by others, shall be covered by the manufacturer's warranty, and Contractor shall be responsible for enforcement of any applicable manufacturers' warranties.

b. The obligation to obtain warranties for materials and equipment manufactured by third parties is limited to the extent such warranties are available from the manufacturer. Contractor shall include such warranties in each purchase order(s). Said warranties are in addition to any warranties of merchantability and fitness for a particular purpose provided by the Uniform Commercial Code as adopted by the State of Iowa."

9. Paragraph 19, **REMEDIES** is modified by replacing the second and third sentences of **Subparagraph a**, with the following:

"Risk of loss for any furnished materials, equipment and goods being replaced or repaired shall remain with Contractor until the earlier of acceptance by Company of care, custody, and control (such acceptance to be conditioned upon written agreement by Company), or until final acceptance by Company of any corrective Work pursuant to Paragraph 9. In the event of any emergency when, in the judgment of Company, Contractor cannot cure such breach in time to avoid serious loss or damage, repairs or adjustments may be made by Company with reasonable notice to Contractor, and the incremental increase in the cost of the Work including materials and labor shall be paid by Contractor."

10. Paragraph 20, **AUDIT REVIEW** is modified by replacing the first sentence of second paragraph with the following:

"Copies of any such material shall be made for Company at its request and reasonable costs of reproduction shall be borne by Company."

11. Paragraph 21, **FORCE MAJEURE** is modified by replacing the second sentence with the following:

"Should the progress of the Work (including delivery of equipment, goods and materials) be or seem to be delayed at any time for such causes, Contractor shall promptly notify Company in writing of the occurrence, in order that a record of the same may be made."

12. Paragraph 24, **DISPUTES AND GOVERNING LAW**, is modified by replacing the second paragraph with the following language:

"This Agreement shall be governed by the laws of the State of Iowa and venue shall be in Dubuque County, Iowa. Contractor's obligation to perform under this Agreement shall remain in effect during the resolution of disputes, except that Contractor may suspend any Work in dispute if both parties agree that the cost or time of correction will be exacerbated by proceeding during the pendency of the dispute."

13. Schedule B(1), **SPECIAL TERMS AND CONDITIONS FOR HAZARDOUS WASTE MATERIALS**, Paragraph 13, **PROTECTION OF EMPLOYEES AND PUBLIC** is revised to add Subparagraph f, as follows:

"Contractor will make no decisions regarding the transportation or disposal of Company's waste materials. In the event such decision is to be made, the Company alone has the authority to make the decision. As between Company and Contractor, Company shall retain title at all times to all wastes emanating from the Site."

14. Schedule B(1), **SPECIAL TERMS AND CONDITIONS FOR HAZARDOUS WASTE MATERIALS**, Paragraph 14, **INDEMNIFICATION**, is modified by replacing Subparagraphs c and e, with the following language:

14c. Contractor further agrees, at its sole cost and expense, to indemnify, defend and hold Company, its directors, officers, employees and agents harmless against any loss, liability, damage, expenses, claims, penalties, fines, injunctions, suits, proceedings, disbursements or expenses (including, without limitation, attorneys' and experts' fees and disbursements and court costs) (collectively, the "Liabilities") arising under any hazardous material

law, or any other Liabilities which Company becomes obligated to pay resulting from release of all or any part of the hazardous material prior to the completion of Contractor's performance under this Agreement, to the extent that the release results from Contractor's errors or omissions.

- 14e. Contractor shall also reimburse Company all amounts which Company is required to pay under any law imposing liability without regard to fault as generator of the hazardous material for the environmental cleanup of any location where the hazardous material has been placed, stored, or disposed in the performance of the Work, due to the errors or omissions of Contractor.

15. **Schedule B(1), SPECIAL TERMS AND CONDITIONS FOR HAZARDOUS WASTE MATERIALS, Paragraph 27, DRIVER AND VEHICLE QUALIFICATIONS,** is modified by replacing Subparagraphs a, b, c, d, e and f, with the following language:

"In the event Company, in accordance with Paragraph 13, directs Contractor to transport, store, and dispose of hazardous materials from the Site, then:

- 27a. Contractor covenants that the transportation, storage and disposal of the hazardous material will be done by means of facilities and vehicles which are fully licensed or registered by appropriate federal, state and local authorities as required, including but not limited to, the following:
- (i) All vehicles shall have proper Environmental Protection Agency "EPA" identification numbers; and
 - (ii) All vehicles shall be registered to haul and transport hazardous material in all states through which they might pass between the originating Site of the hazardous material and the disposal facilities.
- 27b. Contractor will obtain warranties from each transportation subcontractor that drivers shall furnish proof that they have been trained in the proper handling and transportation of hazardous materials, and have passed written examinations and physical examinations prior to transportation of the hazardous materials. Drivers shall also be familiar and will comply with procedures designed to protect the public and the environment.
- 27c. Contractor will obtain warranties that vehicles used by each transportation subcontractor have been inspected prior to any transportation of Company's hazardous material and that vehicles carry proper emergency equipment, spill kits, and secondary containment for containers with liquid.

27d. Drivers shall be cognizant of and comply with proper loading requirements, such as bulk loading procedures and securing loads for transport and inspection of containers as well as compliance with emergency response procedures, and the notification procedures and emergency contingency plans in case an emergency would arise.

27e. Drivers shall have in their possession a hazardous material emergency response book and drivers shall be familiar and will comply with the contents of said guide book, including proper shipping names, hazard classes, EPA ID numbers and labels.

27f. Drivers shall be familiar and will comply with the proper container marking, proper labeling for hazardous materials and proper placement of placards in the transportation of hazardous materials.

16. **Schedule B(1), SPECIAL TERMS AND CONDITIONS FOR HAZARDOUS WASTE MATERIALS, Paragraph 28, COMPLIANCE WITH LAWS, is modified by replacing Subparagraph a, with the following language:**

28a. Contractor shall perform the Work in compliance with any and all federal, state and local laws and regulations pertaining thereto, in effect as of the date of the Work, including, but not limited to, Hazardous Material laws, and, Contractor shall be responsible for (1) identifying the need for, and (2) Assisting Company in obtaining, where applicable or necessary, any permits or licenses, specifically including air emission permits, required by any statute, ordinance, rule or regulation for carrying out the Work contemplated by this Agreement. Company shall be responsible for (1) providing review and prior approval to all permit determinations, permit applications, and associated correspondence, (2) serving as the primary interface with governmental agencies on permitting issues, and (3) providing all other reasonably necessary assistance to Contractor in satisfying Contractor's responsibility identified in the foregoing sentence.

Contractor will notify Company immediately if (i) Contractor is served notice of violation of any laws, regulations or permits which relate in any material aspect to services performed hereunder; (ii) proceedings are commenced which could lead to revocation of permits or licenses in Contractor's name which relate to such services; (iii) permits or licenses in Contractor's name relating to such services are revoked; or (iv) Contractor becomes aware that any equipment or facility related to such services is not in compliance with applicable laws and regulations.

17. **Schedule B(1), SPECIAL TERMS AND CONDITIONS FOR HAZARDOUS WASTE MATERIALS, Paragraph 28, COMPLIANCE WITH LAWS, is modified by replacing the third sentence of Subparagraph b, with the following language:**

"To this end, Contractor shall use its best efforts to use its own EPA I.D. number or to employ Subcontractors to remove, transport and dispose of, under Subcontractor's own transporter EPA I.D. Number and disposal facility TSD permit, any hazardous waste originating at the Site. "

18. **Schedule C, WORK SCHEDULE, Paragraph 1, RECOVERY SCHEDULE** is modified by replacing the second sentence of **Subparagraph c**, with the following language:

"It is agreed that in each Work assignment that Company would be actually damaged by Contractor's failure to comply with any deadline for delivery or completion of the Work, that Company will withhold from funds due, or that may become due, to Contractor, an amount equal to * Dollars (\$ *), for each and every calendar day, beyond the completion date established, that the Work is not completed, except as such time is extended in accordance with Paragraph 21.

19. **Schedule C, WORK SCHEDULE, Paragraph 2, WORK SCHEDULE** is modified by adding the following language:

"* to be determined on a project-by-project basis by reference to Company's Purchase Order."

SCHEDULE B(1)
SPECIAL TERMS AND CONDITIONS FOR
HAZARDOUS WASTE MATERIALS

The following terms and conditions shall apply to this Agreement:

A. Paragraph 1 - **DEFINITIONS** is revised by adding new Subparagraph i which reads as follows:

1i. "Hazardous Materials" means and includes asbestos or any substance containing asbestos, polychlorinated biphenyl's, any explosives, radioactive materials, chemicals known or suspected to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, infectious wastes, any petroleum or petroleum-derived waste or product or related materials and any items defined as hazardous, special or toxic materials, substances or waste under any hazardous material law. "Hazardous Material laws" collectively means and includes any present local, state or federal law relating to public health, safety or the environment including without limitation, the Resource Conservation and Recovery Act, as amended ("RCRA"), 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Clean Air Act, as amended, 42 U.S.C. §7401 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq., the Clean Water Act, 33 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., the Safe Drinking Water Act, 42 U.S.C. §300f et seq., the Uranium Mill Tailings Radiation Control Act, 42 U.S.C. §7901 et seq., the Occupational Safety and Health Act, 29 U.S.C. §655 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §136 et seq., the National Environmental Policy Act, 42 U.S.C. §4321 et seq., the Noise Control Act, 42 U.S.C. §4901 et seq., and the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §11001 et seq., and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereunder.

B. Paragraph 13 - **PROTECTION OF EMPLOYEES AND PUBLIC** is revised to add Subparagraph f as follows:

13f. Contractor shall receive and accept title, risk of loss, and all other incidents, rights, and obligations of ownership to hazardous material when the hazardous material is accepted by Contractor for loading on Contractor's transport vehicles or when the hazardous material is delivered to Contractor's work site, whichever event first occurs. If Contractor and

Company have agreed in writing that title will pass at an earlier time, such agreement will govern.

C. Paragraph 14 - INDEMNIFICATION is revised to add new Subparagraphs c, d, e, and f as follows:

- 14c. Contractor further agrees, at its sole cost and expense, to indemnify, defend and hold Company, its directors, officers, employees and agents harmless against any loss, liability, damage, expenses, claims, penalties, fines, injunctions, suits, proceedings, disbursements or expenses (including, without limitation, attorneys' and experts' fees and disbursements and court costs) (collectively, the "Liabilities") arising under any hazardous material law, or any other Liabilities which Company becomes obligated to pay resulting from release of all or any part of the hazardous material prior to the completion of Contractor's performance under this Agreement, to the extent that the release results from Contractor's acts or omissions.
- 14d. Company may require Contractor to assume the burden and expense of defending all suits, administrative proceedings and disputes of any description with all persons, entities, political subdivisions or government agencies arising out of the matters to be indemnified under this Agreement. Contractor shall pay, promptly upon entry, any nonappealable order, fine, judgment or other final resolution of any claim or dispute arising out of the matters indemnified under this Agreement and shall pay promptly when due any such fines, penalties or agreed settlements arising out of the matters indemnified under this Agreement. In the event that such payment is not made, Company, at its sole discretion, may proceed to file suit against Contractor to compel such payment.
- 14e. Contractor shall also reimburse Company all amounts which Company is required to pay under any law imposing liability without regard to fault as generator of the hazardous material for the environmental cleanup of any location where the hazardous material has been placed, stored, or disposed in the performance of the Work, due to the acts or omissions of Contractor.
- 14f. Contractor represents and warrants to Company that Contractor understands the risk presented to persons, property and the environment in the handling, transportation, storage, treatment and disposal of hazardous materials to be managed pursuant to this Agreement. Contractor is qualified to perform the services hereunder and will do so in a safe and workmanlike manner and in compliance with all governmental laws, regulations, and orders. Contractor and any Subcontractors employed by Contractor will possess and maintain all permits, licenses, certificates and approvals necessary for the performance of services hereunder.

D. Paragraph 18 - **WARRANTIES** is revised to add subparagraph d as follows:

18d. Contractor represents and warrants to Company that Contractor understands the risk presented to persons, property and the environment in the handling, transportation, storage, treatment and disposal of hazardous materials to be managed pursuant to this Agreement. Contractor's subcontractors shall be qualified to perform the services hereunder and will do so in a safe and workmanlike manner and in compliance with all governmental laws, regulations, and orders. Contractor and/or any Subcontractors employed by Contractor will possess and maintain all permits, licenses, certificates and approvals necessary for the performance of services hereunder.

E. Paragraph 27 - **DRIVER AND VEHICLE QUALIFICATIONS** is added to this Agreement and shall read as follows:

27a. Contractor covenants that the transportation, storage and disposal of the hazardous material will be done by means of facilities and vehicles which are fully licensed or registered by appropriate federal, state and local authorities as required, including but not limited to, the following:

- (i) Contractor's vehicles shall have proper Environmental Protection Agency "EPA" identification numbers; and
- (ii) Contractor's vehicles shall be registered to haul and transport hazardous material in all states through which they might pass between the originating Site of the hazardous material and the disposal facilities.

27b. Contractor warrants that Contractor's drivers shall furnish proof that they have been trained in the proper handling and transportation of hazardous materials, and have passed written examinations and physical examinations prior to transportation of the hazardous materials. Drivers shall also be familiar and will comply with procedures designed to protect the public and the environment.

27c. Contractor warrants that Contractor's vehicles have been inspected prior to any transportation of Company's hazardous material and that Contractor's vehicles carry proper emergency equipment, spill kits, and secondary containment for containers with liquid.

27d. Contractor's drivers shall be cognizant of and comply with proper loading requirements, such as bulk loading procedures and securing loads for transport and inspection of containers as well as compliance with emergency

response procedures, and the notification procedures and emergency contingency plans in case an emergency would arise.

- 27e. Contractor's drivers shall have in their possession a hazardous material emergency response book and Contractor's drivers shall be familiar and will comply with the contents of said guide book, including proper shipping names, hazard classes, EPA ID numbers and labels.
- 27f. Contractor's drivers shall be familiar and will comply with the proper container marking, proper labeling for hazardous materials and proper placement of placards in the transportation of hazardous materials.

F. Paragraph 28 - **COMPLIANCE WITH LAWS** is added to this Agreement and shall read as follows:

- 28a. Contractor shall perform the Work in compliance with any and all federal, state and local laws and regulations pertaining thereto, in effect as of the date of the Work, including, but not limited to, Hazardous Material laws, and, Contractor shall be responsible for (1) identifying the need for, and (2) modifying or obtaining, in Company's name where applicable or necessary, any permits or licenses, specifically including air emission permits, required by any statute, ordinance, rule or regulation for carrying out the Work contemplated by this Agreement. Company shall be responsible for (1) providing review and prior approval to all permit determinations, permit applications, and associated correspondence, (2) serving as the primary interface with governmental agencies on permitting issues, and (3) providing all other reasonably necessary assistance to Contractor in satisfying Contractor's responsibility identified in the foregoing sentence.

Contractor will notify Company immediately if (i) Contractor is served notice of violation of any laws, regulations or permits which relate in any material aspect to services performed hereunder; (ii) proceedings are commenced which could lead to revocation of permits or licenses which relate to such services; (iii) permits or licenses relating to such services are revoked; or (iv) Contractor becomes aware that any equipment or facility related to such services is not in compliance with applicable laws and regulations.

- 28b. Company represents and Contractor acknowledges that Company's work site may be a conditionally exempt small quantity generator" ("CESQG") of hazardous waste. Company desires that its work site remain CESQG at all times during the performance of the Work. To this end, Contractor shall use its best efforts to remove, transport and dispose of, under its own generator EPA I.D. Number, any hazardous waste generated at the Site by Contractor or any Subcontractor ("Contractor's Waste"). In the event that Contractor is unable to use a separate EPA I.D. Number to manage Contractor's waste

and such wastes must be managed under Company's facility number, then the following provisions shall apply: Contractor shall generate no hazardous waste pursuant to the performance of the Work, and shall use only non-hazardous substitutes for paints, solvents, or any other materials which have the potential to constitute hazardous waste when used or disposed. In the event Contractor believes that non-hazardous substitutes are not reasonably available and Contractor has no reasonable alternative but to generate hazardous waste, Contractor shall: (1) coordinate with Company's Environmental/Safety Specialist in advance of the generation of the waste, such coordination to include but not be limited to (a) providing an MSDS for each material which will be included in the hazardous waste, (b) providing evidence satisfactory to the Environmental/Safety Specialist that non-hazardous substitutes are not reasonably available, and (c) providing any other information which the Environmental/Safety Specialist may reasonably require for purposes of compliance with Hazardous material laws; (2) obtain the Environmental/Safety Specialist's prior approval, which will not be unreasonably withheld, as to the timing of the generation of the hazardous waste; and (3) notwithstanding the foregoing, in no event, generate more than fifty (50) pounds of hazardous waste in any calendar month without the prior approval of the Environmental/Safety Specialist, which will not be unreasonably withheld. In the event that Contractor's failure to comply with any of the provisions of this Subparagraph during any particular month causes Company to lose its CESQG status, Contractor shall be responsible for all direct costs associated with Company's compliance with "Small Quantity Generator" or "Large Quantity Generator" status, as those terms are commonly used in Hazardous Material laws.

- 28c. In the event Contractor or any of its agents causes any spills or releases of any Hazardous Materials into the environment which require reporting to local, state and/or federal agencies or remediation under any local, state or federal law, Contractor shall be responsible for ensuring timely and adequate compliance with reporting or remediation requirements, and will immediately provide Company with the details, status, and compliance efforts associated with the spill or release and will coordinate all compliance activities with Company's Environmental/Safety Specialist.

G. Paragraph 29 - **WASTE CHARACTERIZATION** is added to this Agreement and shall read as follows:

- 29a. Contractor shall have the right to reject or revoke acceptance of any hazardous material that does not materially conform to the characterization provided to Contractor by Company. Contractor shall sample and test all hazardous material upon receipt, in order to determine to Contractor's satisfaction that the hazardous material is in conformance with Company's representation.

- 29b. If Contractor rejects or revokes acceptance of any waste, Contractor shall immediately orally notify Company of such rejection or revocation of acceptance and the manner in which the hazardous material is rejected and shall confirm such oral notification in writing within five (5) business days. In the event of any such rejection or revocation, Contractor shall also, with Company's assistance and approval, pursue all other reasonable means of hauling and transporting the hazardous material from the originating Site.

SCHEDULE B(2)

CANCELLATION AND CONTINGENT DELAYS

1. DELAYS AND CANCELLATION

- a. Notwithstanding any of the provisions contained herein, Company shall have the right to delay or cancel for its convenience further performance of all or any separable part of this Agreement at any time by written notice to Contractor. On the date of such delay or cancellation stated in the notice, Contractor shall discontinue all Work pertaining to this Agreement, shall place no additional orders, and shall preserve and protect materials on hand purchased for or committed to this Agreement, Work in progress and completed Work both in Contractor's and in its suppliers' plants pending Company's instructions, and shall dispose of same in accordance with Company's instructions. Contractor's sole remedy for any delay or cancellation shall be as stated herein.
- b. In the event of delay (requested by Company), Company shall as soon as practicable establish Work and delivery schedules and a completion date. The price set forth in Schedule A shall be adjusted for reasonable and necessary expenses resulting from the delay as substantiated by documentation satisfactory to and verified by Company unless notice of delay is given prior to the date shown in the Work Schedule C for deferred procurement of materials.
- c. In the event of cancellation, payment to Contractor or refund to Company, if any, shall be based on that portion of the Work satisfactorily performed to the date of cancellation, including reimbursement for reasonable overhead and profit on such completed Work, plus reasonable and necessary expenses resulting from the cancellation as substantiated by documentation satisfactory to, and verified by Company, disposition of Work and material on hand, and amounts previously paid by Company. Cancellation payment shall include actual, reasonable and proper costs incurred by Contractor prior to Company's cancellation less the salvage value of the procured materials. In the alternative, at Company's sole discretion, Company may require Contractor to complete the manufacture of goods using the procured materials. In that case Company will pay Contractor the actual, reasonable and proper cost incurred by Contractor less the resale value of the finished goods utilizing the procured materials. The resale value will be determined based upon similar sales made in good faith and in a commercially reasonable manner.
- d. In no event shall Contractor be entitled to any loss of prospective profits, contribution to overhead or incidental, consequential or other damages due to or associated with Work canceled or delayed.
- e. Contractor shall deliver or assign all goods with all applicable warranties or dispose of goods as directed by Company prior to final payment.

SCHEDULE C

WORK SCHEDULE

Contractor shall perform its obligations under this Agreement in accordance with the agreed upon Work Schedule as set forth in Paragraph 2 below, unless a Recovery Schedule has been submitted and approved by Company as set forth in Paragraph 1 below:

1. RECOVERY SCHEDULE

- a. Upon failure to meet the Work Schedule below and upon request by Company, Contractor shall submit within three (3) days a Recovery Schedule for Company approval. The Recovery Schedule shall show the means, method, productivity, and manloading which Contractor deems necessary to make agreed upon schedule recovery. All Work required by the Recovery Schedule shall not be considered extra Work for which extra compensation is due.
- b. Failure to submit a satisfactory Recovery Schedule shall result in a retention of payment of all amounts otherwise due or to become due under this Agreement until Company approval is granted. Should Contractor fail to comply within seven (7) days of Company's request, Company may employ additional labor, machinery, tools, equipment or materials as is necessary to complete the Work promptly and recover from Contractor all costs incurred in doing so. At its option, Company may deduct such recovery costs from any sums otherwise then due or to become due to Contractor under this Agreement.
- c. The parties agree that any deadlines for completion of the Work, including those specified in the Work Schedule set forth in Paragraph 2 below, are an essential part of this Agreement, and that time is of the essence. It is agreed that Company is actually damaged by Contractor's failure to comply with any deadline for delivery or completion of the Work, and that Company will withhold from funds due, or that may become due, to Contractor, an amount equal to _____ Dollars (\$_____P), for each and every calendar day, beyond the completion date established, that the Work is not completed, except as such time is extended in accordance with Paragraph 21. The liquidated damages awarded pursuant to this paragraph shall not be the Company's exclusive remedy, and shall be in addition to the provisions of Paragraphs 8, 14, 16, 18 and 19, above.

2. WORK SCHEDULE
